

## East Goshen Township Receives Aaa Credit Rating with Stable Outlook from Moody's

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**(West Chester, PA)** On June 5<sup>th</sup>, Moody's Investor Services assigned a rare "Aaa" credit rating with a Stable Outlook to East Goshen Township for its \$8.24 million Series of 2017 General Obligation Bonds. East Goshen Township is one of only seven townships in the Commonwealth to be rated "Aaa" by Moody's and joins Tredyffrin Township and West Whiteland Township as one of only three municipalities in the Commonwealth to have all three taxing authorities—the municipality, the county and the school district—rated "Aaa" by Moody's.

Moody's cited East Goshen's ample reserves, conservative fiscal management and affluent tax base in supporting its rating. "One of the key factors for the Aaa rating was management's foresight and adoption of strong fiscal policies to ensure fiscal health for the foreseeable future," Moody's wrote in its rating report. "The implementation of such policies is rare for cities and is a notable credit strength." The report also highlighted East Goshen's and Chester County's strong job markets and the Township's proximity to the major employment centers of Philadelphia and Wilmington as credit strengths.

"East Goshen has long prided itself on being an excellent steward of taxpayer dollars," Township Chairman E. Martin Shane said. "This rating is the culmination of decades of financial planning and careful budgeting."

East Goshen Township plans to issue \$8.24 million in general obligations this summer to pay for a number of planned capital improvements, including a 2.7 mile pedestrian-bike trail along Paoli Pike; various improvements at the East Goshen Township Park, including a brand new playground space; state-mandated improvements at both the Milltown and Hershey's Mill dams; and East Goshen's share of planned upgrades at the West Goshen Sewage Treatment Plant. The Township has already received \$3.5 million in grant awards for the trail and park projects. These grants will be used to lower the amount that needs to be borrowed.

"When complete, these projects, particularly the trail and park improvements will solidify East Goshen Township's reputation as the best place to live, work and play in all of Chester County," Shane noted. "These [projects] are investments in the Township's future."

The Aaa credit rating will help East Goshen Township pay the lowest possible interest rates on its upcoming bond issuance. For perspective, the average yield on 20-year AAA bonds was 2.75% as of June 5<sup>th</sup> according to FMSbonds, a municipal bond firm. By contrast, the average yield on 20-year AA bonds was 3.00%. "We are hopeful that the Aaa rating will result in hundreds of thousands of dollars in savings for Township taxpayers over the next 20 years," said Rick Smith, long-time Township Manager.

The Township is working with PFM Financial Advisors LLC, its financial advisor, on selling the bonds through a competitive bond sale in July.